

with vegetables, with fish. Just go down the categories.

China, in fact, in the last decade, had an average annual surplus, that means they are sending more out than taking goods in, in global agricultural trade of \$4 billion annually. Just last year, in 1999, the rate of that is increasing to where just in 1999 they had a \$4 billion surplus of global agricultural trade over what they imported. So their advantage, essentially, is increasing.

They are rapidly expanding the quantity, the quality, and the composition of products that are being exported to our country, everything from ketchup to rice and, for the first time, in 1999, cotton.

Now, China recorded an overall advantage with the United States in 1985, 1986, 1992, 1993, and 1999 in agriculture. In fact, we have maintained a chronic agricultural trade deficit with them in 17 of 26 agricultural commodity groups, everything from seafood, to tobacco, sugar, cocoa, vegetables, fruits, nut, and various animal parts.

What is even more troubling is that our exports to them have fallen every year since 1995 as China has strengthened our ability to export to them in spite of our bilateral agreements and tariff reductions has decreased.

In fact, our agricultural exports to China in 1999 were a third less than a decade before, while U.S. imports of their agricultural commodities had literally doubled, gone up by nearly 100 percent.

Now, if we think about this, China's agricultural production growth continues to outpace their own growth in domestic demand. Our own embassy in China, our agriculture attache in Beijing, points out that China is struggling to solve its fundamental problems of chronic overproduction.

But it does have an inefficient distribution system. And with capital investment that might occur there as a result of going into WTO, they are going to be able to move that product more quickly around the world.

Particularly key in all of this are China's partnerships with powerful global firms such as Cargill, Archer Daniels Midland, and ConAgra. And of course, those companies export. In fact, Cargill, for example, has been in China since 1973. Cargill really does not care if it sells and markets Chinese corn or U.S. corn.

So the point is there are some agricultural interests globally that will win, but it will not be U.S. farmers because that Chinese corn and pork and tobacco and seafood, and go down all the categories, are going to depress prices even more here at home.

So I would say to people in rural America, think once, think twice about all of this.

It is not clear that, in this recent agreement that the administration signed with China, that any new grain

commitments to purchase were actually made. There were some promises that maybe there would be some tariff reduction. But if we look at the tariff reduction that occurred during the decade of the 1990s, it did not result in any more sales.

It is highly unlikely that China will eliminate its non-tariff barriers to agriculture trade. It would put too great a risk on its own sector advancing. Because China, since 1949, has had an agricultural policy that said, we will be food self-sufficient. Starvation propelled them into the most recent half century, and they fully well understand what it means not to be self-sufficient in food production at home.

I think that, as much as we talk about tariffs here and about non-tariff barriers, it is also important to point out that when China gets in trouble internationally, it does something very simple, it devalues its currency, as it did in 1994.

So think once, think twice. China is going to put more downward pressure on U.S. food prices if permanent normal trade relations are approved with China.

I urge my colleagues to vote "no" on that measure.

#### PERMANENT NORMAL TRADE RELATIONS WITH CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SIMPSON) is recognized for 5 minutes.

Mr. SIMPSON. Mr. Speaker, I rise today in support of the permanent normal trade relations with China.

Some people view PNTR as a gift that the United States would give to China. PNTR with China is, in fact, in the United States' best economic interest.

China is a huge potential market for the United States, as has been mentioned, 1.2 billion people, or 20 percent of the world's population. Our potential to export to them is enormous.

Idaho's share of those exports is significant to a small State with a million people in it. In 1998 alone, Idaho exported nearly \$25 million worth of merchandise to China. And in the agricultural sector, we exported \$833 million to China.

Future gains are almost certain under the terms of the bilateral agreement and China's WTO accession. Upon accession to the WTO, China's average tariff rate of 22 percent will drop to 17 percent for most products. In the agricultural sector, the reduction is even more significant. The average 31 percent tariff will be reduced to 14 percent for agricultural products on average.

In fact, Goldman Sachs estimates that passage of PNTR will increase U.S. exports to China by \$12.7 billion to \$13.9 billion by the year 2005.

□ 2030

Although there have been some statements to the contrary that the U.S. can reap all of the benefits of this bilateral agreement when China accedes to the WTO, the fact is that cannot happen unless PNTR is granted to China. That is because one of the cornerstones of the WTO is the concept of unconditional most favored nation or normal trade relations between WTO members.

In the agricultural area, PNTR wheat producers believe that they will see an increase of 10 percent sales to China with PNTR. In fact, the increase of sales of beef will increase even more, I believe, as the current tariff rates are reduced from their current level of 45 percent to 12 percent by the year 2004. China will also eliminate its export subsidies upon WTO accession.

The U.S., and this is important to remember, Mr. Speaker, the U.S. is not required to change any of its market access commitments to achieve all of these benefits. In the high tech sector in Idaho, which is a growing industry in Idaho, the current duties on information technology products such as computers, electronics, fiberoptics, cable and other telecommunication equipment currently average 13 percent but will be eliminated by January 1, 2005. In addition, trading and distribution rights for IT products will be phased in over 3 years. This means that companies in my congressional district, such as Micron and Hewlett-Packard, will be able to build upon their current exports to China which currently average around 6 percent. Mr. Speaker, this is a very important vote for Congress. I understand and agree with the concerns of my colleagues with regards to human rights in China. But I believe that we will change China more by being engaged with China rather than standing back and throwing stones. In fact, it was interesting. Today I had several students from Taiwan in my office. One would think that Taiwan would be opposed to accession of China into the WTO because of the aggressive nature that China has expressed toward Taiwan but these students told me, and I have confirmed with the President elect of Taiwan that they support accession of China into the WTO because they believe that active engagement with China will make China more like Taiwan and will free Taiwan and make them more economically free.

Mr. Speaker, this potentially is the most important vote that we will cast in this Congress. I urge my colleagues to support PNTR for China.

#### TRIBUTE TO THE LATE JOSEPH L. MOORE, DIRECTOR OF CHICAGO VA HEALTH CARE SYSTEM

The SPEAKER pro tempore (Mr. SHERWOOD). Under a previous order of